

S E C R E T SECTION 01 OF 03 MANILA 001614

SIPDIS

E.O. 12958: DECL: 04/07/2015

TAGS: PTER PREL RP

SUBJECT: FIGHTING THE GWOT IN THE PHILIPPINES

REF: A. STATE 60794
 1B. JAKARTA 4212
 1C. 04 MANILA 5502

Classified By: Charge d'affaires Joseph A. Mussomeli,
reasons 1.4 (b) and (d)

11. (S) Summary. Terrorism is a disturbingly ordinary, ongoing reality here. The southern Philippines lies along a strategic fault line in the global campaign against terrorism, with its porous borders, weak rule of law, long-standing and unaddressed grievances of Muslim minorities, and high levels of poverty and corruption offering a fertile field for nurturing terrorist groups. Only Afghanistan in the Nineties had a mix of elements more conducive to the spread of radical Islamic movements and the safeguarding of terrorists. Through its own efforts, the GRP has had some successes, but has fallen woefully short in many areas. Similarly, a variety of USG programs, ranging from military to humanitarian to public diplomacy, are making a contribution and will be essential toward further progress in winning the GWOT here, but even more resources and more energetic attention will be needed. A key missing link so far has been a serious revamp of one of the key players -- the Philippine National Police (ref c) -- that needs the same kind of institutional rethink and reform that we are now achieving with the Philippine Defense Reform. Action requests in para 14. End Summary.

The Threat is Real Here

12. (S) Terrorism is arguably more dangerous in the long-term in the Philippines than anywhere in East Asia. Four groups on the US Foreign Terrorist Organization list operate here -- the New People's Army, the Abu Sayyaf Group, the Pentagon Gang, and Jemaah Islamiyah. While the NPA is responsible for regular attacks on and killings of Philippine security forces and civilian officials, it is not now focused on confronting the United States. No US citizens have been harmed by the NPA since the early 1990s. This is not the case with the Islamic terrorists groups. ASG elements, trained by the JI, were responsible for Asia's second most deadly terrorist attack -- the Superferry bombing in February 2004 -- as well as for deadly bombings in three cities (including Manila) in February 2005. There are clear indications of ongoing JI/ASG planning for attacks on US citizens, as well as possibly on the US Embassy, in addition to further attacks on Filipinos and other foreigners. Even more disturbingly, despite an eighteen-month cease-fire and ongoing peace talks with the GRP, the Moro Islamic Liberation Front (MILF) (which is not now on the FTO list, although Embassy has recommended designation of at least certain MILF commanders due to their clear, and perhaps growing, links with the JI) remains a credible military threat, at least in Mindanao. Elements of the Misuari Breakaway Group of the Moro National Liberation Front (MNLF), with which the GRP signed a peace agreement in 1996, engaged in a new deadly round of fighting on Jolo Island in February 2005.

Some Successes, But...

13. (S) We are actively engaged with the GRP to combat terrorist threats here, primarily from the ASG and JI. Our vigorous military exercise programs have heightened the capabilities of the Armed Forces of the Philippines (AFP) to conduct some limited offensive operations, while our intelligence components, in conjunction with our military, provide guidance and relevant intelligence to the AFP in planning its attacks on terrorist elements, such as repeatedly identifying the location of key wanted terrorists (Khaddafi Janjalani, Dulmatin). Unfortunately, subsequent AFP bombing operations were glaringly unsuccessful in leading to their capture or deaths.

14. (S) The GRP has also made some arrests, including some individuals responsible for the Valentine's Day bombings and the Superferry bombing, as well as individuals plotting against the US Embassy and some implicated in the Palawan kidnapping of three American citizens (and subsequent beheading of one) in 2000. Trials are ongoing, but are typically slow.

...Key Institutions Are Broken

15. (S) The bottom line we and the GRP face in confronting terrorism is that major institutions of the Philippines involved in the GWOT -- notably, the AFP, the Philippine National Police (PNP), the prosecutors, and the judiciary -- are riddled with corruption, are poorly equipped and under-budgeted, have ineffective management systems, and are often under weak leadership. Our training of the military and police is helping, as are several USAID programs, but without profound institutional fixes, there will be no enduring improvements in anti-terrorism capabilities.

What's Working and Still Needed

16. (SBU) PDR: The most effective long-term GWOT-related program in which we are already engaged is the Philippine Defense Reform (PDR) initiative, which is undertaking the overarching reform programs that will transform the AFP into a more modern, professional, transparent, and accountable institution. The Department of National Defense has already invested \$17.45 million in this program and is committed to further investments of \$36.6 million in 2005, with expected funding to remain at this level in the decade ahead. USDOD has budgeted \$11.1 million for PDR in FY05, with a significant portion of the requested \$20 million in FY06 funds also dedicated to PDR. We count on the continued funding by the USG to keep pace with the GRP's own ambitious aspirations.

17. (SBU) Military: Foreign Military Financing (FMF), used to train or equip the three light reaction companies that form the core of the GRP's Joint Special Operations Group (JSOG), six Light Infantry Battalions (LIB) and 12 Naval Special Warfare teams (NAVSOF), remains a valuable tool to tip the balance in favor of the AFP in Mindanao. The "Basilan Model" developed by JTF-510 has achieved significant success by combining humanitarian assistance and civil-military operations with efforts to upgrade AFP combat capabilities; PACOM is examining replication of this model throughout the southern Philippines.

18. (U) Civilian: USAID's programs in Mindanao have begun to transform this conflict zone. The "Livelihood Enhancement and Peace" (LEAP) program has already provided livelihood to over 25,000 former MNLF combatants and provides a "demonstration effect" for MILF combatants if and when the GRP and MILF sign a peace accord. Public diplomacy programs have helped carry this message, notably through broadcast and distribution of a documentary on LEAP called "Arms to Farms."

What's Not Working as Well as It Should

19. (S) DS' Rewards for Justice program has made an impact (we have paid out \$1 million to three individuals). However, the process is time-consuming, given its case-by-case nature and the Washington decision-making process. It would be helpful if, similar to USDOD's Rewards program, we had a pre-approved list of individuals whose capture we could reward almost immediately. It would also be helpful to have an in-country operational budget to publicize the program, as the USDOD rewards program has.

110. (SBU) ICITAP training programs for the PNP have come virtually to a halt following the departure of the resident program manager in December. ICITAP has now taken steps -- willingness to sign up to ICASS and submission of an NSDD-38 position request -- but we have not been able to obtain confirmation from INL of the current (still from FY2004 funds) allocation of funds to ICITAP. INL funding should be flexible and timely, and we need more responsiveness from INL staff.

What's Not Working at All

111. (C) The PISCES program is irremediably broken. Plagued by software glitches from its inception, and incompatible with any other USG border management system or technology. We should either develop an export version of the existing Department of Homeland Security's Bureau of Immigration and Customs Enforcement/Customs and Border Protection (DHS/ICE/CBP) system, or let the EU border management initiative take the lead.

112. (S) The role of the Saudis -- whether with funding from private or public sources or, more egregiously, in direct interference from the Saudi Ambassador to get suspected terrorists with Saudi passports released from custody and permitted to depart -- remains ambiguous. We see no improvement in Saudi efforts to curtail funding to Islamic groups in the Philippines. We need to impress on the Saudi government the importance of information-sharing with other governments in the region.

113. (C) The role of the United States Institute of Peace (USIP) in facilitating the GRP/MILF peace process has been a distinct disappointment, despite its work on ancestral domain. The Malaysians appear adamant against a role for USIP in or on the margins of the negotiations themselves, even as an observer.

What's Additionally Needed -- Now

114. (S) Action request: Embassy seeks support for -- and will continue consultation in more depth on -- the following new programs:
-- funding for a comprehensive "Management Assessment of the Philippine Police" (ref c);
-- development of a fusion model involving RMAS, other relevant Embassy offices, and concerned USG elements to provide embedded USG analysts at a single GRP counterpart agency, to be selected from among the current proliferation of GRP Task Forces and Centers;
-- USG assistance to redress inefficiencies in the Philippine judicial system that make prosecution of terrorist suspects at best a long-term struggle;
-- technical assistance to develop high-security jail facilities for holding terrorists suspects, some of whom have, notoriously, escaped Philippine prisons;
-- an expanded ATA assistance program focused on the Philippines' Anti-terrorism Task Force (ATTF) under Malacanang Palace (the President's Office).

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